DECLASSIFIED PA/HO Department of State E.O. 12958, as amended June 21, 2006

DECLASSIFIED Authority NND 46 By 73 Date 04/0



INDICATE:

COLLECT CHARGE TO Classificati on

Department of State

DEF 12-5 IRAN



20 JUN 70 00 l U 7

09766

DISTRIBUTION

ACTION:

Amembassy TEHRAN

STATE

LIMDIS

FOR AMBASSADOR FROM SISCO

Tehran 2623-1000 REF: Tehran 2623-000 Very much appreciate your concern over the consequences of indefinite delay in FMS legislation which I share. have been taking virtually hourly readings on FMS prospects and cannot truthfully predict yet what the outcome may be.

In Italia line with your suggestion we have taken an earnest and in-depth examination of the possibilities of acquiring credit from some other source to provide loan funds hitherto expected to be available under FMS. Specifically we have focused on Eximbank as a possible source of these funds. The Bank has been exceedingly cooperative in helping us to consider what might best be done. I think that, other things being equal, we could have perhaps reached agreement that the Bank would provide the funds we need for Iran. We also had to consider, however, the impact this move would have on FMS

NEA/IRN: JCMiktors hosw

DRAFTING DATE TEL. EXT. 6/19/70

23014

APPROVED BY:

NEA

Sisco

CLEARANCES:

EODM -

DOD/ISA/Mr. Alne

NEA - Mr. Davies

PM - Mr. Chapman (informed)

H - Mr. School (informed) H - Mr. Schnee (informed)

AND THE REPORT OF THE PARTY AND THE PARTY AN

Classing

Authority NND

Department of State

DECLASSIFIED PA/HO Department of State E.O. 12958, as amended June 21, 2006

Department of State

TELEGRAM

INDICATE: COLLECT CHARGE TO

ÐΙ	ST	R	ΙBU	TΙ	ON

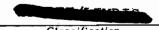
ACTION: Amembassy TEHRAN (Page 2)

The fact that Iran is presently included in the prospects. bill is a strong argument in favor of its passage and one that we have used very recently in urging Congressional action. After considering all aspects we had to conclude that Iran's withdrawal at this juncture would jeopardize further prospects which are already by no means reassuring. We badly need FMS for a number of other countries, some of whom are in our own These countries for various reasons have no chance NEA area. of obtaining alternative financing. I concluded therefore that the risks of weakening the prospects of FMS legislation were too great from an overall point of view and that we would have to continue to bank on last-minute favorable Congressional action action on FMS

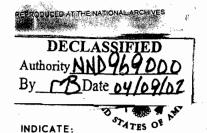
For your of own very confidential information I want you to know that should FMS legislation fail to pass for this fiscal year we will make very special efforts to push for a supplefunds in mental which would provide for/additions to those presently don contemplated for FY 1971. We retill and retire my respective

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	APPROVED BY:	
			1	
			<u> </u>	

CLEARANCES:



Classification





◆ DECLASSIFIED PA/HO Department of State E.O. 12958, as amended June 21, 2006

DISTRIBUTION

COLLECT CHARGE TO

ACTION: Amembassy TEHRAN (Page 3)

We shall take advantage of Mehdi Samii's presente in Washington in the coming days to explain this matter fully.

Gp 3

End

ROGERS

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	APPROVED BY:
		,	

